

WHAT IS CLAIMED IS:

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1. A method for administering an on-line auction for an incentive points redemption facility including a catalog of potential auction items, and a participant database comprising participant records, wherein each participant record includes a participant identifier and an incentive point value total available to the participant to bid, the method comprising the steps of:
- designating a set of auction items from the catalog of potential auction items;
  - providing on-line bid access to the set of auction items by authorized participants,
  - the providing on-line access step comprising for an authorized participant:
    - retrieving, for on-line presentation at a terminal of the authorized participant, data corresponding to an item from the set of auction items, the data including a description of the item and data relating to a current minimum qualifying bid value for the item;
    - receiving, via an on-line computer interface, a bid by the authorized participant for the item; and
    - determining, by reference to an available incentive point value total for the authorized participant, whether the new bid exceeds a point total available to the authorized participant;
  - maintaining at least a high bid for each item in the set of auction items; and
  - identifying, upon ending an auction period, a participant corresponding to a ~~highest covered bid by referencing at least the high bid for each item.~~

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2. The method of claim 1 further comprising the steps of:
- establishing a currency-to-points conversion ratio;
  - notifying the authorized participant, in response to the determining step, that the new high bid exceeds the available incentive point value total for the authorized participant; and
  - enabling the authorized participant to obtain, through purchase, additional incentive points in accordance with the currency-to-points ratio.

3. The method of claim 2 wherein a purchase transaction for additional incentive points is only executed in the event that the new high bid is a winning bid.

5 4. The method of claim 2 wherein the establishing step includes specifying a specific currency-to-points conversion-ratio for each auction sponsor.

5. The method of claim 2 wherein the establishing step includes specifying a specific currency-to-points conversion ratio for each auction.

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6. The method of claim 1 further comprising the step of notifying the participant corresponding to the highest covered bid.

7. The method of claim 6 further comprising maintaining email addresses for authorized participants, and wherein the notifying step comprises sending an email message to the participant.

8. The method of claim 1 further comprising the step of notifying, via an automated message delivery process, a fulfillment service of a delivery request, the delivery request including an identification of a winning participant, a delivery address, and the auction item for which the winning participant submitted a winning bid.

9. The method of claim 1 wherein the designating, providing, and maintaining steps are carried out by an auction software kit installed on an intranet of the auction sponsor.

10. The method of claim 1 wherein the designating, providing, and maintaining steps are performed via an Internet-connected site.

11. The method of claim 1 wherein the providing on-line bid access further comprises the step of establishing that the participant is a member of a set of authorized participants entitled to bid upon the set of auction items.

5 12. The method of claim 1 wherein the available incentive point value total for the authorized participant is adjusted after bidding has closed on the item.

13. The method of claim 1 wherein the available incentive point value total for the authorized participant is adjusted in response to the submission of the bid before  
10 bidding has closed on the item.

14. An incentive points-based on-line auction facility for managing bids of authorized participants on a set of auction items, the on-line auction facility comprising:  
an authorized participants database configured to store a set of authorized  
15 participant entries, each participant entry including a participant identification and an available incentive point value total;

an auction items database configured to store a set of auction item entries corresponding to auction items to be bid upon by authorized participants, each auction item entry including an auction item identification and at least a high bid;

20 a network communication interface providing on-line access to the auction facilities;

an interactive auction server including:

a participant authenticator for selectively granting access by authorized participants to the contents of the auction items database and to submit bids on items  
25 from the auction items database;

an auction item display generator, having communicative access to the auction item database, the auction item display generator responding to requests from authorized participants via the network communication interface by retrieving from the auction items database, information relating to a selected auction item for display for the  
30 authorized participants;

a bid verifier, having communicative access to the participant points total in the participant database, for determining whether a received bid exceeds an available incentive point value total for an authorized participant; and

5 a bid register for maintaining at least a high bid for each item represented in the set of auction item entries.

15. The incentive points-based on-line auction facility of claim 14 wherein each participant entry further includes participant contact information.

10 16. The incentive points-based on-line auction facility of claim 14 wherein each participant entry further includes a reserved point value total corresponding to outstanding point bids.

15 17. The incentive points-based on-line auction facility of claim 14 wherein each auction item entry further includes a bid history including, in addition to the high bid, a list of preceding bids.

18. The incentive points-based on-line auction facility of claim 14 wherein each auction item entry further includes a suggested value for the item.

20 19. The incentive points-based on-line auction facility of claim 18 wherein the suggested value of the item is expressed in terms of incentive points.

25 20. The incentive points-based on-line auction facility of claim 18 wherein the suggested value of the item is expressed in terms of dollars.